

# BT Wholesale Property Securities Fund

**Fact Sheet  
November 2011**

ARSN: 087 593 584



Property Investments

## About the Fund

The BT Wholesale Property Securities Fund invests primarily in Australian listed property-related investments including listed property trusts, developers and infrastructure investments, both directly and indirectly. In addition, up to 15% of the Fund can be invested in international listed property-related investments and around 5% of the Fund will generally be invested in unlisted property investments.

### Fund objective

The Fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 300 Property Accumulation Index over the medium to long term. The suggested investment timeframe is five years or more.

### Investment style

BTIM's property securities investment style is active, bottom-up and valuation-driven with stock selection driven by absolute valuations.

### Investment philosophy

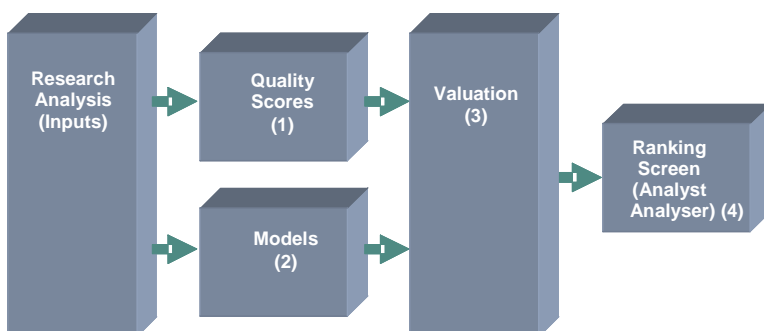
BTIM's investment philosophy is based on the beliefs that:

- market inefficiencies provide opportunities for well researched and disciplined investors to identify and purchase securities that are mispriced compared to what we consider to be their fundamental value;
- quality companies will outperform over time. BTIM's Listed Property Team place a high emphasis on quality scores to identify the best business franchises; and
- active investment management will outperform passive alternatives over a full market cycle

### Investment process

The Property Securities investment process starts with comprehensive research utilising a range of proprietary valuation methodology and continues to four steps:

1. Scoring of quality factors
2. Financial modelling
3. Valuation
4. Stock Ranking



### Investment team

BTIM's Head of Property Securities, Peter Davidson has over 20 years industry experience and is supported by a team of two portfolio managers/analysts and a specialist LPT dealer. The team also draws on the resources of BTIM's other specialist teams: Macro Strategies, Income Strategies and Equity Strategies.

## Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	2.46	2.51	2.65
3 months	1.51	1.67	1.66
FYDT	-2.62	-2.36	-2.14
6 months	-3.51	-3.20	-2.89
1 year (pa)	2.74	3.39	2.23
2 years (pa)	2.09	2.74	1.85
3 years (pa)	0.82	1.46	-0.51
5 years (pa)	-10.40	-9.83	-13.57

## Other information

Fund size (as at 30 Nov 2011)	\$117 million
Date of inception	November 1997
Minimum investment	\$25,000
Buy-sell spread	0.50% <sup>#</sup>
Distribution frequency	Quarterly
Currency management	Foreign currency exposure is hedged
Cash holdings	Up to 20%
Tracking error guideline	2-5%
APIR code	BTA0061AU

<sup>#</sup> The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

## Fees

Management fee	0.65% pa*
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\* You should refer to the latest Product Disclosure Statement for full details of fees and other costs you may be charged.

## Market review

November was a turbulent month for equity investors as tensions across the Eurozone manifested in Italian 10 year yields breaking through the important 7% mark and both the Greek and Italian PMs resigning. Six central banks lowered the cost of USD swap funding, the ECB cut interest rates by 25 basis points, the Chinese central bank cut the Reserve Requirement Ratio by 50 basis points and the RBA cut the cash rate by 25 basis points to 4.50%.

The AREIT sector was up 2.6% for the month outperforming the broader market (which was down 3.4%) by 6.1%, lifting YTD cumulative outperformance to 10.5%.

In corporate news, CER and CNP unitholders voted in favour of the proposed amalgamation and WRT secured new bilateral bank facilities to repay its \$1.3 billion Westfield Sydney project at an average cost of 5.8%.

In Australia employment rose by 10,100 in October following 20,400 jobs in September. The unemployment rate dropped from 5.3% to 5.2%. The NAB Business confidence Index improved to +2 after being -9 in August and the Westpac Consumer Confidence Index was up 6.3% following the November 25 basis point interest rate cut.

In the US 3Q11 GDP was revised down to 2% (annual rate) and the US congressional Super committee failed to agree on a \$1.2 trillion deficit reduction plan, triggering automatic cuts from 2013.

The best stock returns in November were from Centro Retail (+10.9%), Stockland (+7.3%) and Westfield (+6.5%). The worst performing stocks for the month were ING Office (-4.8%) and Goodman Group (-4.8%).

## Fund performance

The portfolio was down slightly against the benchmark for the month of November, driven by our overweight position in Goodman (-4.8%) and our underweight position in Stockland (+7.3%). Overweights in Centro Retail and Westfield added to performance.

## Strategy & outlook

At current prices, the sector is trading on an 11.6x PE, it is delivering a 6.7% distribution yield and 2-3% pa medium term growth. Earnings and balance sheets are stable. We expect improving capital management and strong support for high quality direct property to provide improving returns for the sector.



## For more information

Please call 1800 813 886, contact your business development representative or visit [www.btim.com.au](http://www.btim.com.au)

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